

# THE OREGON B&I CREDIT MEMO....

News & Insights for USDA Business & Industry  
(B&I) Guaranteed Lenders – October 2008



## SHELTER FROM THE STORM – *B&I stands ready to support your business lending*

Back in April, we wrote, “We’re ‘bullish’ on rural Oregon.” That remains the case. The B&I program is ready and open for use by rural business lenders. As the national economy continues to experience tough times, commercial lenders are faced with the challenge of balancing their institution’s need for a strong portfolio and their customers’ need for business financing. B&I guarantees are a shelter in this storm, providing lenders with both security and liquidity and thereby allowing them to *meet the business financing needs of Main Street Oregon*. Whether you are looking to assist your existing borrowers or new customers, B&I guarantees offer a prudent, profitable tool for rural business lending. We look forward to working with you!

*Mark Simmons*

Mark Simmons, State Director

*Jeff Deiss*

Jeff Deiss, Business & Cooperative Program Director

## OREGON’S B&I PROGRAM STILL SURGING – *Another record year in the top tier*

In our just-ended FY2008, RD-Oregon provided guarantees on over \$61 million of rural business loans in Oregon – more than any previous year *ever*. **Oregon’s B&I activity ranked #2 in the nation by number of loans and #5 in the nation by total loan dollars guaranteed.**

Fiscal Year	\$ (Oregon B&I ) \$	# Loans	Comment
FY2008	61,561,125	35	Oregon ranks # 5 in US
FY2007	57,114,434	26	Oregon ranks # 3 in US
FY2006	21,104,055	8	8

Special thanks go to the twelve lenders who used Oregon’s B&I program in FY2008. The top ranking Oregon B&I lender was again Temecula Valley Bank. Intrepid **Steven Alkana**, Lake Oswego-based, SVP & BDO, again made **Temecula Valley Bank** Oregon’s top lender as well as the #3 bank nationwide in B&I dollar volume. Also turning in a strong performance was **Community Bank**, led by **Norm Winters** in Pendleton. They were in good company, with 10 other commercial lenders active in Oregon’s guaranteed programs:

Lender	\$ (Oregon B&I + Energy) \$	#	Comment
Temecula Valley Bank	23,113,300	15	#3 B&I lender in US
Community Bank	16,970,597	9	#13 B&I lender in US
Metropolitan Life Insurance	10,000,000	1	#6 B&I lender in US
Oregon Pacific Bank	5,828,838	3	#71 B&I lender in US
Community First Bank	1,719,390	1	
West Coast Bank	1,587,500	2	
Borrego Springs Bank	648,000	1	#17 B&I lender in US
Capital Pacific Bank	637,000	1	
Banner Bank	515,000	1	
Oregon Coast Bank	404,000	1	
Community West Bank	300,000	1	
Siuslaw Bank	38,000	1	

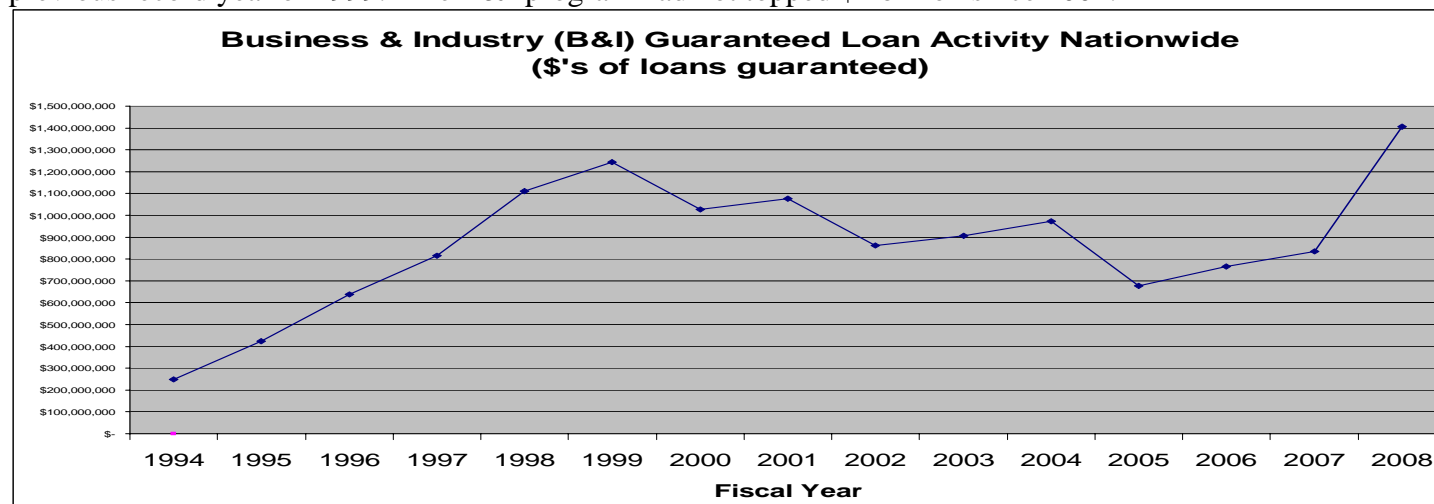
*The Oregon B&I Credit Memo* is the newsletter for USDA Rural Development’s Guaranteed B&I Program in Oregon.

For more information, contact us at 503-414-3366 or visit our web site at [www.RuralOregon.biz](http://www.RuralOregon.biz)

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## RECORD-SETTING B&I PRODUCTION IN THE NATION – *FY2008 breaks all records*

The popularity of B&I guarantees was not limited to Oregon. The program's fiscal year 2008 came to a roaring finish last month. By September 30, nationwide B&I lending reached \$1,406,073,715 – nearly 170% more than FY2007 (the steepest increase in B&I activity ever) & the most B&I lending in history, surpassing the previous record year of 1999. The B&I program had not topped \$1 billion since 2001.





It's especially remarkable because nearly half the B&I production occurred in the last quarter of the fiscal year. Demand among commercial lenders for B&I has clearly increased dramatically. California crashed through the \$200 million mark, and Iowa became only the second state ever to break \$100 million. Other state leaders were Oklahoma, Tennessee, Oregon, and North Carolina. This is a national phenomenon, not a regional one.


## FY2009 FUNDING OUTLOOK – *Funds adequate for now pending final Federal Budget*

With the Federal Government now operating under a “continuing resolution” until March 2009, B&I funding is available, but the ultimate, total amount of B&I authority is still unclear. If the final FY2009 Federal Budget only “continues” the B&I program at its FY2008 level, there would be about \$993 million of B&I guaranteed lending authority, which is obviously less than the \$1.4 billion used last year. That record level was possible because there was left over authority from prior years, but those funds are now exhausted. **For the time being, B&I funding is readily available.** We will provide you with updates as the budget picture clarifies.

## DONE DEALS! – *Highlights of recent B&I guaranteed loans approved in Oregon*

 **\$10,000,000 B&I**  
Metropolitan Life Insurance  
 (Ontario)  
 Equipment for expansion of an onion processing facility

 **\$4,779,462 B&I**  
Community Bank  
 (Scappoose)  
 Working capital & refinancing for an aviation supply manufacturer

 **\$1,425,000 B&I**  
West Coast Bank  
 (Gaston)  
 Debt refinancing for winery & vineyard operations

## YOU TOO CAN BE A B&I LENDER – *Let us be your “Government Guaranteed Lending Division”*

A unique strength of the B&I program is its local network of specialists who help you through the B&I process. Please welcome **Deanna Quimby (Roseburg)** and **LaDonn McElligott (La Grande)** to our B&I team!

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